

Republic of Panama
Superintendency of Banks

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January 18, 2000

CIRCULAR No. 04-2000

Mr. General Manager
In Your Office.

Ref.: User protection. Freedom of contracting of underwriters
and brokers. (Article 36, Law 59 of 1996, Circular No. 05-
98).

Dear Manager, Sir:

We hereby reiterate the contents of Circular No. 05-98 of July 20, 1998, whereby it was requested to Banks to promote the necessary measures to strengthen the full exercise of the freedom of users to select their underwriter and broker in credit operations incorporating contracting of insurance.

Article 36 of Law 59 of July 26 of 1996 establishes as follows:

“Customers of private and government banks, financial, fiduciary, credit, companies and automobile dealers, shall be free to choose and designate their insurance companies and insurance brokers (natural or juridical persons) in those transactions where the contracting of any type of insurance is required.

Customers of the above-mentioned institutions may also opt, freely for entering with their preferred broker to the collective insurance that these institutions have in force and effect, or to submit the equivalent of individual insurance. At no time may the underwriting of said insurance be conditioned to surcharges or special conditions in prejudice of the insured.

The Superintendency (of Insurance and Reinsurance) shall leave without effect any provisions contrary to the provisions set forth in this article.” (the statements between parentheses is an addition of ours).

For the above, we will appreciate Banks to remit a copy of the model agreements, forms or brochures that evidence the incorporation of clauses, legends or observations informing users of their above-mentioned right, as exhorted by means of Circular No. 5-98 of July 20, 1998.

Looking forward to the above, we remain,

Yours truly,

[Illegible signature]
Delia Cárdenas
Superintendent

/rdea

[Round seal] REPUBLIC OF PANAMA – SUPERINTENDENCY OF BANKS –
Superintendent’s Office [National emblem of the Republic of Panama]

THE ABOVE IS A FAITHFUL TRANSLATION OF THE ORIGINAL DOCUMENT IN
SPANISH PRESENTED TO ME. Panama, May 29, 2003. Mireya Delgado Debali,
Certified Public Translator, Resolutions No. 209 and 304.